

2008 GENERAL SESSION FISCAL NOTE WORKSHEET XI (Revised Jan. 2008)

Agency: UTAH STATE OFFICE OF EDUCATION

Bill Number HB 383 1st Substitute

TITLE OF BILL: STATEWIDE CAPTIAL OUTLAY EQUALIZATION by Rep. Aaron Tilton

Requested by: Patrick Lee

Fax/Electronic Mail Transmittal To:

Office of the Legislative Fiscal Analyst
W310 State Capitol Complex
Salt Lake City, UT 84114-5310
538-1034 / Fax 538-1692

Name: Patrick Lee

Date: February 26, 2008

Fax Number: _____

Please return to Fiscal Analyst by: February 25, 2008

This Bill Takes Effect: ☐ On passage ☐ On July 1 ☐ 60 Days after session ☒ Other 7/1/2008

Bill Carries Own Appropriation: ☒

5/5/2008
1/1/2008

FISCAL IMPACT OF PROPOSED LEGISLATION

	FY 2008 Supp.	FY 2009	FY 2010
A. REVENUE IMPACT BY SOURCE OF FUNDS			
1. General Fund			
2. Uniform School Fund - Education Fund			
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6 Local Funds			
7. TOTAL	\$ -	\$ -	\$ -

B. EXPENDITURE IMPACT:

By Source of Funds			
1. General Fund			
2. General Fund, One Time			
3. Uniform School Fund - Education Fund		\$28,711,100	\$28,711,100
3. Transportation Fund			
4. Collections			
5. Other Funds (List Below)			
6. Local Funds			
7. TOTAL	\$ -	\$ 28,711,100	\$ 28,711,100
By Expenditure Category			
1. Salaries, Wages and Benefits			
2. Travel			
3. Current Expenses			
4. D.P. Current Expenses			
5. Capital Outlay		\$28,711,100	\$28,711,100
6. D.P. Capital Outlay			
7. Other (Specify)			
8. TOTAL	\$ -	\$ 28,711,100	\$ 28,711,100

C. IMPACT IN FUTURE YEARS?

If no fiscal impact in the first two years, indicate any impact in future years, and explain. Also, indicate any significant changes in fiscal impact beyond the first two years. (Use back side, or attachment, if necessary.)

Cathy Dudley
Prepared By

MSP Budget and Property Tax Specialist - USOE
Title

801.538.7667
Agency Phone #

February 26, 2008
Date

D. Identify Sections of the Bill That Will Generate the Additional Workload or Cost Increase

E. Expenditure Impact Details (Ties to totals in Section C)

List and document methodology and/or assumptions used in determining need for workload and cost increase.
List number, type, and step ranges of personnel required, including benefits.
List details of other impacted expenditure categories as shown in Section C.
List additional space requirements and cost associated with requirements of this bill.
(USE ATTACHMENTS IF NECESSARY.)

In order to qualify for receipt of the state contribution toward the minimum school program, a school district within a qualifying divided school district shall impose a capital outlay levy of at least 0.0006 per dollar of taxable value. Using current FY08 data, Column 14 on the attached spreadsheet on the tab titled Base Guarantee & Enrol -FY08-09 shows the winners and losers of this new funding appropriation. There are only two school districts that lose any money in the new calculation. As the new divided Jordan School District will not start educational services to students until FY09 -10, this school district is left off of this spreadsheet.

If you refer to the next tab titled Base Guarantee & Enrol -Fy09-10, this calculation was made using current data and incorporating the new divided Jordan School District as they will begin educational services in that fiscal year. Again, in column 14, you will notice the winners and losers. Based on this bill, the school districts in the county of the first class that have a divided school district need to contribute the tax revenues from their existing 0.0006 capital levy to a pool to be redistributed according to the formual in the bill. If you look at that tab in columns 15 -21, it will show the calculation and what school districts will have to contribute and what receiving districts will get. In sum, Salt Lake School District, Murray School District, Jordan -East School District, and Granite School District will be losers, contributing approximately \$12 million to Jordan West School District.

F. No Fiscal Impact or Will Not Require Additional Appropriations?

Specify why this bill will have no fiscal impact on your agency or institution.
Specify how you will reallocate workloads, resources, or funding sources to eliminate need for additional appropriations. (USE ATTACHMENTS IF NECESSARY.)

G. If Bill Carries Its Own Appropriation:

Indicate if the amount appropriated is adequate to meet the purposes of the bill.
Are there future additional costs anticipated beyond the appropriation in the bill?

H. Impact on Local Governments, Businesses, Associations, and Individuals

Specify requirements in the bill that drive the impact on local governments.
Indicate costs or savings that are ***DIRECT and MEASURABLE***. If direct and measurable data are not available, are there areas that potentially could have a fiscal impact? (USE ATTACHMENT IF NECESSARY.)

Local Governments:

This bill modifies the Capital Outlay Foundation Program and the Enrollment Growth Program by incorporating fall enrollment counts instead of Average Daily Membership (ADM) and also increases the combined capital levy rate yield multiplier in column 5 to the highest rate in the state rather than a 0.002400 limit. These changes produce mostly winners with two school districts losing. However, in FY09-10, four school districts will lose part of their 0.00060 tax rate revenues and one will gain approximately \$12 million as shown on the tab titled Base Guarantee and Enrol -FY09-10 tab in columns 15-21.

Businesses and Associations:

Individuals:

This is a draft fiscal note response from the Utah State Office of Education (USOE) and may be revised in the future.

This fiscal note input draft does not imply endorsement of this bill by the State Board of Education or USOE.